

Econ 881
Labor Economics II

Instructor: Jane Fruehwirth
Time: 9:30-10:45 am TR
Location: Gardner 007

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Office hours: 10:45-11:45am Tuesdays and by appointment

Overview

This course focuses on research in the area of human capital and its relation to big picture ideas about inequality. We will cover a range of topics, including social interactions, achievement production, early childhood intervention, higher education, and labor market discrimination. There will be a heavy emphasis on identification and how economic theory can help with determining causal, policy-relevant parameters. Students will also be challenged to think big about their research ideas and engage in the beginning process of research

Aims

- To introduce students to the process of doing research
- To develop an understanding of how data can be used to test economic theory, and how economic theory can be used to interpret data, focusing on identification of policy-relevant parameters
- To illustrate how microeconomics can be applied to a range of real world problems
- To develop skills for critically evaluating research, to help distinguish elements of “good” research and develop an understanding of the limitations of a range of approaches

Class website

<https://trello.com/invite/b/JDut9218/9398a46b5885274b96d9b3b6febd3db5/econ-881>

All assignments will be uploaded to the class website.

Assignments with weights

Please submit these assignments through Sakai unless otherwise indicated

1. Final research proposal (35%)
2. Intermediate research products (15%)
3. Student-led paper discussion (15%)
4. Trello discussion posts/responses (15%)
5. Paper summaries (10%)
6. Class Participation (10%)

Research proposal

This will be structured like a research paper, but will be the beginning attempt and include many aspects of a proposal. It must be related to the class in studying some aspect of human capital and inequality. If you are in the process of writing a grant proposal for research or interested in that, I am happy to discuss this alternative format and share what I know of grant opportunities for students interested in human capital. This latter option will likely be more appropriate for students who are further along in the program.

The research proposal will include

- Introduction
 - A clear, well-motivated research question.
 - A description of how your paper contributes to the literature.
 - This should go beyond simply describing the relevant literature to being a critical analysis of the literature that motivates your contribution.
- Theoretical/conceptual model
- Data section with descriptive statistics
 - including 1 figure illustrating something important about your research question
- Empirical model
 - This should include a clear statement of how you propose to identify your causal effect of interest. This is absolutely essential to the success of the proposal.
- Provide preliminary estimate of your model (as data are available) or if not provide related empirical evidence that your proposed topic will be fruitful.
- Statement of preliminary conclusions and next steps
- References

This paper should be about 2500 words or 10 pages double spaced. This will be due on 12/6.

Intermediate research products

These will serve as stepping stones along the way to provide opportunities to discuss progress with the instructor and classmates. These are marked as “IRP” on the syllabus and will be uploaded to the relevant Trello tab.

Student-led discussion

Students will be expected to lead a class discussion on one additional article related to their research interests. This article must be recent (past 5 years), relate to human capital, and be written by economists.

Some potential repositories for finding papers:

- Recent NBER education program conferences
 - <https://www.nber.org/programs-projects/programs-working-groups/economics-education?page=1&perPage=50>
- Human Capital and Economic Opportunity working paper series:
 - <https://hceconomics.uchicago.edu/research/papers>

Paper Summaries

You will write a **summary** of each paper we discuss in class that is marked * by providing a brief (1 to 2 sentence) responses to each of questions 1 to 5 of the guidelines for reading papers

(described at the end of the syllabus). You will upload the summaries to the relevant tab on the Trello board to share with your classmates and me prior to the class in which it is discussed.

Trello board discussions

Students will be asked to respond to discussion questions on the Trello board. You will also be expected to post a question or criticism for each of the papers for which you write a paper summary (some guidance on potential criticisms are posted with questions 6 to 10 of the paper summaries). You will also respond in a substantive way to 2 of your classmates posts per week. This is intended to be a discussion. Your final grade will depend both on your posts and your responses to your classmates posts.

Classroom Participation

Participation is critical for the success of the class. I expect you to come to each class having read the papers and prepared to discuss them. The more ready and willing you are to ask questions, the more you will learn.

Please also **bring a printed copy of the paper to class or a copy you can read easily on a tablet.** Being prepared for class, completion of paper summaries, classroom attendance and participation will all be factored into the final participation grade.

Use of Laptops

To minimize distractions and keep the environment as interactive as possible, I ask that you do not use a laptop during class and that you turn off iPhones and other electronic devices.

Honor Code

It is expected that you have read, understand and abide by UNC's honor code (<http://honor.unc.edu/>).

Syllabus Changes

The professor reserves the right to make changes to the syllabus, including project due dates and test dates. These changes will be announced as early as possible.

University Resources/Policies

UNC's Attendance Policy

No right or privilege exists that permits a student to be absent from any class meetings, except for these University Approved Absences:

1. Authorized University activities
2. Disability/religious observance/pregnancy, as required by law and approved by [Accessibility Resources and Service](#) and/or the [Equal Opportunity and Compliance Office](#) (EOC)
3. Significant health condition and/or personal/family emergency as approved by the [Office of the Dean of Students](#), [Gender Violence Service Coordinators](#), and/or the [Equal Opportunity and Compliance Office](#) (EOC).

Class policy

There may be needs for absence that do not fall within UNC's approved absence. Please communicate with me early about potential absences. Please be aware that you are bound by the [Honor Code](#) when making a request for a University approved absence. I strive to create an environment of mutual respect and trust, and think of class absence notifications accordingly.

Counseling and Psychological Services

CAPS is strongly committed to addressing the mental health needs of a diverse student body through timely access to consultation and connection to clinically appropriate services, whether for short or long-term needs. Go to their website: <https://caps.unc.edu/> or visit their facilities on the third floor of the Campus Health Services building for a walk-in evaluation to learn more.

Accessibility Resources

UNC-Chapel Hill facilitates the implementation of reasonable accommodations for students with learning disabilities, physical disabilities, mental health struggles, chronic medical conditions, temporary disability, or pregnancy complications, all of which can impair student success. Accommodations are determined through the Office of Accessibility Resources and Service (ARS) for individuals with documented qualifying disabilities in accordance with applicable state and federal laws. See the ARS website for contact and registration information: <https://ars.unc.edu/about-ars/contact-us>

Title IX Resources

Any student who is impacted by discrimination, harassment, interpersonal (relationship) violence, sexual violence, sexual exploitation, or stalking is encouraged to seek resources on campus or in the community. Please contact the Director of Title IX Compliance (Adrienne Allison – Adrienne.allison@unc.edu), Report and Response Coordinators in the Equal Opportunity and Compliance Office (reportandresponse@unc.edu), Counseling and Psychological Services (confidential), or the Gender Violence Services Coordinators (gvsc@unc.edu; confidential) to discuss your specific needs. Additional resources are available at safe.unc.edu.

Topic		Assignment Due
8/16	Understanding inequality and what to do about it https://bfi.uchicago.edu/news/explaining-inequality/	
8/18	Introduction to syllabus	Respond to discussion question about inequality video on Trello board
8/23	Use of big data to study inequality (Raj Chetty) https://www.youtube.com/watch?v=4pdWpec_c0U Brewer, et al , "The Role of Economics in Education Policy Research", The Handbook of Education Finance and Policy, chp 2, 2015. https://www.dropbox.com/s/dvid9m21tcqaruw/Chapter%202.pdf?dl=0	
8/25	Discussion of ideas around inequality and human capital	Share with the class an idea you found from searching for short talks from economists in the areas of inequality and human capital (about 8 minutes each)
8/30	Todd, P. E. and Wolpin, K. I. (2003) 'On the specification and estimation of the production function for cognitive achievement', <i>Economic Journal</i> 113(485), F3–F33.	
9/1	*Andrabi, T., J. Das, A. Ijaz Khwaja, and T. Zajonc (2011, July). Do Value-Added Estimates Add Value? Accounting for Learning Dynamics. <i>American Economic Journal. Applied Economics</i> 3(3), 29–54.	
9/6	No class-well-being day	
9/8	*Cunha, Flavio, and James J. Heckman. 2008. "Formulating, Identifying and Estimating the Technology of Cognitive and Noncognitive Skill Formation." <i>Journal of Human Resources</i> , 43(4): 738–82.	
9/13	Early childhood investment: https://www.youtube.com/watch?v=wSwNM8aa24s *Currie, Janet & Thomas, Duncan, 1995. "Does Head Start Make a Difference?," <i>American Economic Review</i> , vol. 85(3), pages 341-64, June.	

Topic		Assignment Due
9/15	Group discussion	1-page Proposal due (IRP)
9/20	*Jens Ludwig & Douglas L Miller, 2007. "Does Head Start Improve Children's Life Chances? Evidence from a Regression Discontinuity Design," <i>The Quarterly Journal of Economics</i> , vol. 122(1), pages 159-208, 02.	
9/22	*Chetty, R, J. Friedman and J. Rockoff (2014) Measuring the Impacts of Teachers I: Evaluating Bias in Teacher Value-Added Estimates, <i>American Economic Review</i> 104(9): 2593-2632. [Recommended reading but no time to discuss and no summary expected: Guarino, C. M. Reckase and J. Wooldridge (2015) "Can value-added measures of teacher performance be trusted?" <i>Education Finance and Policy</i> , 10(1)]	
9/27	*Bacher-Hicks, A., Chin, M. J., Kane, T. J., & Staiger, D. O. (2017). <i>An evaluation of bias in three measures of teacher quality: Value-added, classroom observations, and student surveys</i> (No. w23478). National Bureau of Economic Research.	
9/29	Group discussion	Literature review (IRP)
10/4	Manski, C. (1993), 'Identification of endogenous social effects: The reflection problem', <i>The Review of Economic Studies</i> , 60(3): 531–542.	
10/6	*Fruehwirth, J (2013) "Identifying Peer Achievement Spillovers: Implications for Desegregation and the Achievement Gap" <i>Quantitative Economics</i> 4(1).	
10/11	*Bramoulle, Y., H. Djebbari, and B. Fortin (2009, May). Identification of peer effects through social networks. <i>Journal of Econometrics</i> 150(1), 41–55.	
10/13	Guest lecture (paper TBD)	
10/18	Group discussion	Approach to addressing research question (IRP)
10/20	Fall break	

Topic		Assignment Due
10/25	<p>Access to higher education (Hoxby and Turner) https://www.youtube.com/watch?v=gCAEKk5IqQo</p> <p>https://www.hamiltonproject.org/assets/legacy/files/downloads_and_links/THP_HoxbyTurner_FINAL.pdf</p>	
10/27	<p>*Charles, K. and J. Guryan. 2011. Studying Discrimination: Fundamental Challenges and Recent Progress. <i>Annual Review of Economics</i> 3(1): 479-511.</p> <p>https://www.chicagobooth.edu/review/how-gary-becker-saw-the-scourge-of-discrimination</p>	
11/1	<p>*Joseph G. Altonji & Charles R. Pierret (2001) "Employer Learning And Statistical Discrimination," <i>The Quarterly Journal of Economics</i>, MIT Press, vol. 116(1), pages 313-350, February.</p>	
11/3	<p>*Papageorge, N., V. Ronda and Y. Zheng (2020) "The Economic Value of Breaking Bad: Misbehavior, Schooling and the Labor Market", working paper. https://nicholaswpapageorge.files.wordpress.com/2020/06/bb.pdf</p>	
11/8	Group Discussion	Progress: empirical or theoretical model (IRP)
11/10	Student-led discussion (tbd)	
11/15	Student-led discussion (tbd)	
11/17	Student-led discussion (tbd)	
11/22	Student-led discussion (tbd)	
11/24	Thanksgiving	
11/29	Student-led discussion (tbd)	
12/6	No class	Research proposal due

Some Helpful Guidelines for Reading Papers

The first set of questions are geared toward helping you to make sure you have understood the main part of the paper. A good introduction should hit most (often all) of these points.

1. What is the primary question/issue/hypothesis that the author wanted to address?
2. Why is the question interesting or important? (This often includes a description of how the paper contributes to the literature)
3. What data does the author use (if empirical paper)?
4. Give an intuitive description of the author's test or model. (This is absolutely key to making sure you've understood the paper. If the details of the model are confusing, take a step back and try to think about the underlying intuition.)
5. What are the author's findings or conclusions?

The second set of questions may help you to think critically about the paper.

6. Did you find the question interesting and relevant?
7. Are you convinced by the author's results/arguments? Why or why not?
8. Did they identify the effect they claimed to identify? Why or why not?
9. Did the results obtained justify the interpretation and conclusions? (Often this may include concerns about external validity or heterogeneous treatment effects)
10. Were the findings well supported by economic theory? In the cases where the paper does not have a clear theoretical model, do you think a model would have been helpful or that the lack thereof might lead to erroneous conclusions?